

PRODUCT INFORMATION		SPECIAL HANDLING AND STORAGE REQUIREMENTS									
Manufacturer/Broker Name: Watson Laboratories	Number: _____	a. Temperature – Indicate the normal temperature range for this product. I. Controlled Room Temperature (68° – 77° F) <input type="checkbox"/> II. Room Temperature (59° – 86° F) <input checked="" type="checkbox"/> III. Excessive Heat (>104° F) <input type="checkbox"/> IV. Cool (46° – 59° F) <input type="checkbox"/> V. Refrigerated (36° – 46° F) <input type="checkbox"/> VI. Frozen (-4° – 14° F) <input type="checkbox"/> VII. No Requirement <input type="checkbox"/>									
Product Name: Colchicine Tablets											
Product ID Number: NDC 00591-0944-01	UPC/GTIN # 09591094401-8										
Description: Colchicine 6mg Tablets 100											
Address: _____											
City, State, Zip: _____											
Key Contact: David Schmidt	Fax: 920-446-3693										
Phone Number: 920-446-3284	Ext: _____										
Phone Number: _____	Ext: _____										
Is the Product? <input type="checkbox"/> Direct Ship Item <input type="checkbox"/> Drop Ship Item											
Is the Product a Controlled Drug? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											
If Yes, Schedule Number: _____											
Is this ARCO'S reportable? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											
Is this Product a Legend Device? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											
Country of Origin: USA											
Harmonization Code Number for International Shipping: _____											
Is this product a Hazardous Material or Cytotoxic Agent?											
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, provide additional information on page 2.											
Attach copy of Material Safety Data Sheet (MSDS)											
Attach Package Insert											
ADDITIONAL PRODUCT INFORMATION		ITEM AND PACKING INFORMATION									
Is there a minimum order quantity?		Unit Of Sale	UPC Code	Mstr. Shpr.	Inner Case Pk	Wght. Lbs.	Cube	Case Dimensions	Item Dimensions	Pallet Depth:	# Cases/Pallet
If yes, <input type="checkbox"/> Case <input type="checkbox"/> Carton <input type="checkbox"/> Item Number of Pieces? _____		100 <input checked="" type="checkbox"/> Bottle <input type="checkbox"/> Box <input type="checkbox"/> Glass Jar <input type="checkbox"/> Ampule <input type="checkbox"/> Other	144 Case: 12	144 Case: 12	8.09 lbs Carton: Item: 305910944018	12.50" 3.40"	Depth: Height: 10.75" 9.75"	Depth: Height: 3.40" 1.50"	Depth: Height: 3.40" 1.50"	3.40" 1.50"	60
Shelf Life: 24 Months		.6mg Tablet									
Whsl. Code #: _____											
Fineline Code: _____											
Is item? <input type="checkbox"/> Unit Dose <input type="checkbox"/> Unit of Use		I. Orange Book Rating: _____							II. Product Color: White		
If Unit Dose, is item bar coded to unit dose for Hospital tracking purposes? <input type="checkbox"/> Yes <input type="checkbox"/> No		III. Brand Name Equivalent: _____							IV. Generic Name For Brand: _____		
Will handling data change in the first: 6 months? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Purchase Allowance	Distribution Allowance	Invoice Cost (\$)	Net Cost (\$)	Mfr's AWP	Avg Ret Price (\$)	SRP (\$)	Excise Tax		
9 months? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		<input type="checkbox"/> OI <input type="checkbox"/> BB	<input type="checkbox"/> OI <input type="checkbox"/> BB	\$ %	\$ %						
12 months? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No								\$24.95			
Unknown? <input type="checkbox"/> Yes		PPK									

This offer is made on a proportionally equal basis to all sellers' accounts complete with customer. Signature: _____

Colchicine_6mg Tablets 100**Manufacturer:** Watson Pharmaceuticals, Inc.**If additional information is necessary, provide on right of page or as attachment.****HAZARDOUS MATERIAL INFORMATION**

Is this product:

- a) Cytotoxic? Yes No
- b) Carcinogen? Yes No
- c) Inhalation Hazard? Yes No
- d) Contact Hazard? Yes No

Is this item considered a carcinogen?

No

Yes

Yes

No

Is this item an aerosol requiring special storage?

No

Yes

No

PRODUCT INFORMATION		SPECIAL HANDLING AND STORAGE REQUIREMENTS										
Manufacturer/Broker Name: Watson Laboratories	Number: _____	a. Temperature – Indicate the normal temperature range for this product.	<input type="checkbox"/>									
Product Name: Colchicine Tablets		i. Controlled Room Temperature (68° - 77° F)	<input type="checkbox"/>									
Product ID Number:	<input checked="" type="checkbox"/> NDC 00591-0944-01	ii. Room Temperature (59° - 86° F)	<input checked="" type="checkbox"/>									
	<input checked="" type="checkbox"/> UPC/GTIN # 3-0591094401-8	iii. Excessive Heat (>104° F)	<input type="checkbox"/>									
Description: Colchicine .6mg Tablets 100		iv. Cool (46° - 59° F)	<input type="checkbox"/>									
Address:		v. Refrigerated (36° - 46° F)	<input type="checkbox"/>									
City, State, Zip:		vi. Frozen (-4° - 14° F)	<input type="checkbox"/>									
Key Contact: Maureen Barrett	Fax: 954-344-6673	vii. No Requirement	<input type="checkbox"/>									
Phone Number: 954-344-7363	Ext: _____	b. Are temperature excursions permitted/allowed for product?	<input type="checkbox"/>									
Phone Number:	Ext: _____	c. Are there additional storage and shipping requirements?	<input type="checkbox"/>									
Is the Product? <input type="checkbox"/> Direct Ship Item	<input type="checkbox"/> Drop Ship Item	If Yes, provide the temperature range and hours duration: _____ and _____	<input type="checkbox"/> Yes <input type="checkbox"/> No									
Is the Product a Controlled Drug? <input type="checkbox"/> Yes	<input type="checkbox"/> No	If yes, please provide on page 2.	<input type="checkbox"/> No									
If Yes, Schedule Number:	<input type="checkbox"/> Yes <input type="checkbox"/> No											
Is this ARCO reportable? <input type="checkbox"/> Yes	<input type="checkbox"/> No											
Is this Product a Legend Device? <input type="checkbox"/> Yes	<input type="checkbox"/> No											
Country of Origin: USA												
Harmonization Code Number for International Shipping: _____												
Is this product a Hazardous Material or Cytotoxic Agent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, provide additional information on page 2.											
Attach copy of Material Safety Data Sheet (MSDS)												
Attach Package Insert		ITEM AND PACKING INFORMATION										
ADDITIONAL PRODUCT INFORMATION		Size/Strength /Form	Unit Of Sale	UPC Code	Mstr. Shpr.	Inner Case Pk	Wght. Lbs.	Cube	Case Dimensions	Item Dimensions	Pallet Dimensions	# Cases/Pallet
		100 .6mg Tablet	<input checked="" type="checkbox"/> Bottle <input type="checkbox"/> Box <input type="checkbox"/> Glass Jar <input type="checkbox"/> Ampule <input type="checkbox"/> Other	144 Case: Carton: Item: 305910944018	12	Case: Carton: Item: 0.05 lbs	8.09 lbs	12.50"	3.40"	Depth:	60	
		Shelf Life: 24 Months	Whsl. Code #: _____	FineLine Code: _____	Item: 305910944018	Height: 10.75"	Width: 9.75"	Height: 3.40"	Width: 1.50"	Depth:		
		Is Item? <input type="checkbox"/> Unit Dose <input type="checkbox"/> Unit of Use	For Generic Drug Products: <input type="checkbox"/> Orange Book Rating: _____ <input type="checkbox"/> Brand Name Equivalent: _____	COST INFORMATION		COST INFORMATION		COST INFORMATION		Excise Tax		
		If Unit Dose, is item bar coded to unit dose for Hospital tracking purposes? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Regular Cost (\$)	Purchase Allowance <input type="checkbox"/> Ol <input type="checkbox"/> BB	Distribution Allowance <input type="checkbox"/> Ol <input type="checkbox"/> BB	Invoice Cost (\$)	Net Cost (\$)	Mfr's AWP	Avg Retail Price (\$)	SRP (\$)		
		Will handling data change in the first: 6 months? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 9 months? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 12 months? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Unknown? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	\$ _____	% _____	% _____	\$ _____	\$ _____	\$24.95	\$ _____	\$ _____		

This offer is made on a proportionally equal basis to all sellers' accounts complete with customer. Signature: _____

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HDMA Standard Product Information**Colchicine, 6mg Tablets, 100****Item Description:****Pharmaceutical Products**

Manufacturer: Watson Pharmaceuticals, Inc.

*If additional information is necessary, provide on right of page or as attachment.***HAZARDOUS MATERIAL INFORMATION****ADDITIONAL INFORMATION AS NECESSARY**

Is this product:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
a) Cytotoxic?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b) Carcinogen?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
c) Inhalation Hazard?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
d) Contact Hazard?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is this item considered a carcinogen?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is this item an aerosol requiring special storage?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does this product require special clean-up instructions?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If yes, attach MSDS with special instructions.	
Department of Transportation (DOT) I.D. Number:	_____
Hazard Class/ORM Code:	_____
OSHA/DOT CHEMICAL STORAGE CLASS	
Please check appropriate Class(es) for this product.	
<input type="checkbox"/> ORGANIC	<input type="checkbox"/> ANTOINEPLASTIC
<input type="checkbox"/> INORGANIC	<input type="checkbox"/> STEROID/ANDROGEN
<input type="checkbox"/> CORROSIVE/OXIDIZER	<input type="checkbox"/> ESSENTIAL CHEMICAL
<input type="checkbox"/> AEROSOL	<input type="checkbox"/> PRECURSOR CHEMICAL (Describe below)
<input type="checkbox"/> AEROSOL CLASS	<input type="checkbox"/> MAXIMUM QTY LEVEL
Is the product restricted for air shipping?	
<input type="checkbox"/> Passenger	
<input type="checkbox"/> Cargo	
<input type="checkbox"/> Passenger & Cargo	
Size/Strength _____	
Precursor Chemical:	<input type="checkbox"/> Yes <input type="checkbox"/> No
Ephedrine	<input type="checkbox"/> Yes <input type="checkbox"/> No
Pseudoephedrine	<input type="checkbox"/> Yes <input type="checkbox"/> No
Phenylpropanolamine	<input type="checkbox"/> Yes <input type="checkbox"/> No
ADDITIONAL STORAGE AND SHIPPING REQUIREMENTS	
Is this product to be shipped to customers on ice?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Is this product to be shipped to customers on dry ice?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Does this product require refrigerated truck for transport?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Is this Product State Regulated?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, list states on the right or as an attachment.	
Are there special returns requirements?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, provide requirements in the space to the right or as attachment.	

PRODUCT INFORMATION		SPECIAL HANDLING AND STORAGE REQUIREMENTS	
Manufacturer/Broker Name: Watson Laboratories	Number: _____	a. Temperature – Indicate the normal temperature range for this product.	_____
Product Name: Colchicine Tablets		I. Controlled Room Temperature (68° – 77° F)	<input type="checkbox"/>
Product ID Number: <input checked="" type="checkbox"/> NDC 00591-0944-10	UPC/GTIN # 3-0591094410-0	II. Room Temperature (59° – 86° F)	<input checked="" type="checkbox"/>
Description: Colchicine .6mg Tablets 1000	Address: _____	III. Excessive Heat (>104° F)	<input type="checkbox"/>
City, State, Zip: _____	Key Contact: Maureen Barret	IV. Cool (46° – 59° F)	<input type="checkbox"/>
Phone Number: 954-344-7363	Fax: 954-344-6673	V. Refrigerated (36° – 45° F)	<input type="checkbox"/>
Phone Number: _____	Ext: _____	VI. Frozen (-4° – 14° F)	<input type="checkbox"/>
Is the Product? <input type="checkbox"/> Direct Ship Item	<input type="checkbox"/> Drop Ship Item	VII. No Requirement	<input type="checkbox"/>
Is the Product a Controlled Drug? <input type="checkbox"/> Yes	<input type="checkbox"/> No	b. Are temperature excursions permitted/allowed for product?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, Schedule Number: _____	Is this ARCO/S reportable? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If Yes, provide the temperature range and hours duration: and _____	_____
Is this Product a Legend Device? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Country of Origin: USA	c. Are there additional storage and shipping requirements?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, please provide on page 2.			
Is this product a Hazardous Material or Cytotoxic Agent? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, provide additional information on page 2.			
Attach copy of Material Safety Data Sheet (MSDS)			
Attach Package Insert			
ADDITIONAL PRODUCT INFORMATION		ITEM AND PACKING INFORMATION	
Is there a minimum order quantity? If yes, <input type="checkbox"/> Case <input type="checkbox"/> Carton <input type="checkbox"/> Item Number of Pieces? _____ Shelf Life: 24 Months Whs. Code #: _____ Fineline Code: _____		Size/Strength /Form	Unit Of Sale
		1000 mg Tablet	<input checked="" type="checkbox"/> Bottle
			<input type="checkbox"/> Box
			<input type="checkbox"/> Glass Jar
			<input type="checkbox"/> Ampule
			<input type="checkbox"/> Other
		Item: 305910944100	Wght: 0.21 lbs
For Generic Drug Products:		I. Orange Book Rating: _____	II. Product Color: White
If Unit Dose, Is Item bar coded to unit dose for Hospital tracking purposes? <input type="checkbox"/> Yes <input type="checkbox"/> No		III. Brand Name Equivalent: _____	IV. Generic Name For Brand: _____
COST INFORMATION			
Regular Cost (\$)	Purchase Allowance <input type="checkbox"/> OI <input type="checkbox"/> BB	Distribution Allowance <input type="checkbox"/> OI <input type="checkbox"/> BB	Invoice Cost (\$)
\$ _____	% _____	\$ _____	Net Cost (\$)
DZ			Mfr's AWP
EA			Avg Retail Price (\$)
PPK			SRP (\$)
Unknown?			Excise Tax

This offer is made on a proportionally equal basis to all sellers' accounts competitive with customer.

Signature: _____

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HDMIA Standard Product Information**Item Description:** Colchicine .6mg Tablets 1000**Pharmaceutical Products****Manufacturer:** Watson Pharmaceuticals, Inc.*If additional information is necessary, provide on right of page or as attachment.***HAZARDOUS MATERIAL INFORMATION****Is this product:**

- a) Cytotoxic? Yes No
- b) Carcinogen? Yes No
- c) Inhalation Hazard? Yes No
- d) Contact Hazard? Yes No

Is this item considered a carcinogen?**Is this item an aerosol requiring special storage?****Does this product require special clean-up instructions?***If yes, attach MSDS with special instructions.***Department of Transportation (DOT) I.D. Number:** _____**Hazard Class/ORM Code:** _____**OSHA/DOT CHEMICAL STORAGE CLASS****Please check appropriate Class(s) for this product.**

- ORGANIC
- ANTIPLASTIC
- INORGANIC
- STEROID/ANDROGEN
- CORROSIVE/OXIDIZER
- ESSENTIAL CHEMICAL
- AEROSOL
- PRECURSOR CHEMICAL (Describe below)
- AEROSOL CLASS
- MAXIMUM QTY LEVEL

Is the product restricted for air shipping?

- Passenger
- Cargo
- Passenger & Cargo

Precursor Chemical:

- Ephedrine Yes No
- Pseudoephedrine Yes No
- Phenyipropanolamine Yes No

ADDITIONAL STORAGE AND SHIPPING REQUIREMENTS**Is this product to be shipped to customers on ice?** Yes No**Is this product to be shipped to customers on dry ice?** Yes No**Does this product require refrigerated truck for transport?** Yes No**Is this Product State Regulated?** Yes No*If yes, list states on the right or as an attachment.***Are there special returns requirements?** Yes No*If yes, provide requirements in the space to the right or as attachment.*

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Revised 02/21/06

TAB 4

REDACTED

**MUTUAL_000272785
through
MUTUAL_000272790**

TAB 5

REDACTED

**MUTUAL_000871428
through
MUTUAL_000871432**

TAB 6

REDACTED

**WKM 0005
through
WKM 0008**

TAB 7

REDACTED

**MUTUAL_000274659
through
MUTUAL_000274662**

TAB 8

REDACTED

**MUTUAL_000267118
through
MUTUAL_000267131**

TAB 9

1 KEVIN E. GAUT (SBN 117352), keg@msk.com
2 PATRICIA H. BENSON (SBN 60565)
3 phb@msk.com
4 MITCHELL SILBERBERG & KNUPP LLP
5 11377 West Olympic Boulevard
6 Los Angeles, California 90064-1683
7 Telephone: (310) 312-2000
8 Facsimile: (310) 312-3100

9
10 Attorneys for Defendant
11 Watson Pharmaceuticals, Inc.

12 [SEE SIGNATURE PAGES AND CONTINUED CAPTION
13 FOR LIST OF ADDITIONAL ATTORNEYS AND PARTIES
14 JOINING IN THIS MOTION]

15
16
17 UNITED STATES DISTRICT COURT
18 CENTRAL DISTRICT OF CALIFORNIA
19
20

21 MUTUAL PHARMACEUTICAL
22 COMPANY, INC., a Pennsylvania
23 corporation, AR SCIENTIFIC, INC., a
24 Delaware corporation, and AR
HOLDING COMPANY, INC., a
Delaware corporation,

25 Plaintiffs,

v.

26 WATSON PHARMACEUTICALS,
27 INC., a Nevada corporation,
WESTWARD PHARMACEUTICAL
28 CORP, a Delaware corporation,
GENERICs BIDCO I, LLC dba
QUALITEST PHARMACEUTICALS, a
Delaware corporation, VISION
PHARMA, LLC, a New Jersey
corporation; and EXCELLIUM
PHARMACEUTICAL, INC., a New
Jersey corporation,

Defendants.

CASE NO. CV 09-05700 PA (RCx)

The Honorable Percy Anderson

**DECLARATION OF JAMES D.
BERKLEY IN SUPPORT OF JOINT
OPPOSITION TO MOTION FOR
PRELIMINARY INJUNCTION**

Date: TBD (if necessary)

Time:

Courtroom: 15

1 RICHARD A. JONES (SBN 135248),
rjones@cov.com
2 ANTHONY HERMAN (*Pro Hac Vice Pending*),
aherman@cov.com
3 DAMARA CHAMBERS (*Pro Hac Vice Pending*),
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7 Attorneys for Defendant
Excellium Pharmaceutical, Inc.
8

9 ROBERT P. CHARROW (SBN 044962),
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10 GREENBERG TRAURIG LLP
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11 Washington, D.C. 20037
Telephone: (202) 533-2362
12 Facsimile: (202) 261-0164

13 Attorneys for Defendant
Vision Pharma LLC
14

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DECLARATION OF JAMES D. BERKLEY

I, James D. Berkley, declare:

1. I am employed by Mitchell Silberberg & Knupp LLP ("MSK") as Senior Research Analyst. My duties at MSK include conducting research using the Internet. I have personal knowledge of the following facts and, if called and sworn as a witness, could and would competently testify thereto.

8 2. On September 29, 2009, I went to the Internet Archive maintained at
9 www.archive.org and created a list of all web pages that had been archived from the
10 website www.urlmutual.com. www.urlmutual.com is the website of Mutual
11 Pharmaceutical Company (“Mutual”). The current website contains a page that
12 indicates that Mutual is part of a company called United Research Laboratories
13 Laboratories. A correct copy of the “History” page found at
14 http://www.urlmutual.com/url_about_History.aspx is attached hereto as Exhibit 1.

15 3. Once I had a list of the web pages from Mutual's website that were
16 archived at www.archive.org, I navigated to the archived page at
17 <http://web.archive.org/web/20061113175156/www.urlmutual.com/products/urlgen/>
18 URLProdGen_1Page4.html. A correct copy of that page is attached hereto as
19 Exhibit 2.

20 4. Exhibit 2 shows that as of November 13, 2006, Mutual's website had a
21 page that listed colchicine as a product. I know that November 13, 2006 is the date
22 this web page had been available because the convention of www.archive.org is that
23 the first eight digits in the numerical portion of the URL indicate the date the page
24 was archived.

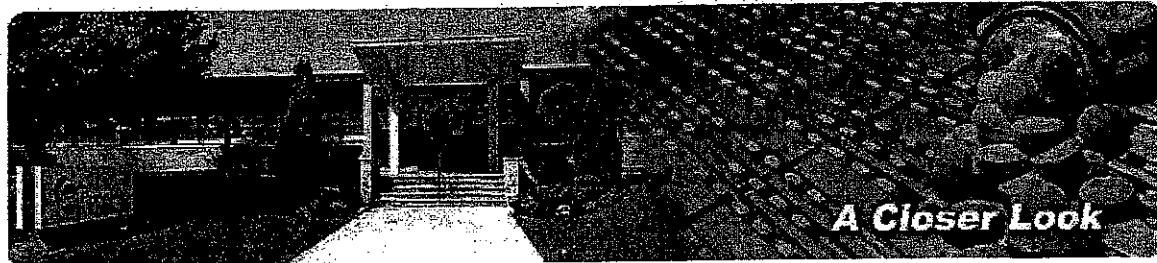
1 I declare under penalty of perjury under the laws of the United States of
2 America that the foregoing is true and correct.

3 Executed this 29th day of September, 2009, at Los Angeles, California.

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6 James D. Berkley

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EXHIBIT 1



A Closer Look

HISTORY

- OVERVIEW
- HISTORY
- PEOPLE
- MISSION / STRATEGY
- PRIVACY POLICY
- TERMS OF USE

In 1946, United Research Laboratories (URL) was founded by Albert Roberts, a bench chemist with a degree from the University of Pittsburgh. Initially, the company manufactured and sold ACTH directly to physicians to treat arthritis. From this, the Company developed a significant pharmaceutical distribution business which sustained the Company for the ensuing 40 years.

In 1986, seeing that their manufacturers were starting to bypass distributors like URL, Mr. Roberts and his brother, Theodore Roberts, Ph.D., established Mutual Pharmaceutical Company to develop and manufacture generic pharmaceutical products.

In 1988, Albert Roberts' son, Richard H. Roberts, M.D., Ph.D., left the Brigham and Women's Hospital, of Harvard Medical School, to join the Company. Dr. Richard Roberts became the Chief Operating Officer in 1989, assuming control of the operations and leading the company to profitability.

In 1997, venture capital investors (Elliott Associates and Momar Corporation) purchased a majority of the company. Dr. Richard Roberts, the only remaining member of the founding Roberts family, maintained a minority interest and became President, CEO and Chairman of the Board.

In 2001, net sales exceeded \$100 million dollars, the research & development budget rose to \$12 million and annual production reached 2 billion tablets and capsules. URL was then manufacturing 35 products, had 14 NDAs pending FDA approval, and distributed third-party tablets, capsules, liquids, creams, ointments, and injectables.

In 2004, foreseeing that the profitability of the generic pharmaceutical marketplace would deteriorate over the next 5 years as Asian manufacturers gained FDA approvals of generic drugs, the Company embarked upon an aggressive and challenging plan to transform into a medically and scientifically focused branded and technology business. As part of this effort, R&D spending was greatly expanded and the R&D focus transitioned away from commodity generic products towards first-to-file patent challenge generics, branded product development, and technology development. The Company also established AR Scientific to be the Company's branded marketing division. AR Scientific currently markets two NDA products, Qualaquin® and Bactrim™ (a trademark of Hoffman-La Roche, Inc.). The Company also launched felodipine ER, a technically challenging product, and remained the exclusive generic for over 3.5 years.

In 2005, the Company had annual sales of over \$300 million and signed a licensing deal with King Pharmaceutical which granted King certain rights to the Company's technology and paid the Company \$35 million plus an on-going royalty.

In 2006, the Company launched Qualaquin® (quinine sulfate), the Company's first internally developed branded product and the only FDA approved version of quinine sulfate. Qualaquin® has Orphan Drug exclusivity until August, 2012.

In 2007, the Company had annual sales of \$483MM, over 250 approved NDAs, 4 approved NDAs, licensing deals, multiple high barrier NDAs, and a broad portfolio of proprietary products under development.

In 2008, the Company is poised for unprecedented growth. The Company changed its name to URL Pharma, passed 2 pivotal studies for separate new drugs and is preparing the corresponding New Drug Applications with FDA. URL Pharma has developed multiple pharmaceutical technologies such as PRISM™, NanoBurst™, MultiBurst™ and Z-Burst™, and continues to progress the development of its proprietary pipeline.

Click [here](#) to see a visual timeline.

EXHIBIT 2

UNITED RESEARCH LABORATORIES, INC.

PRODUCT DESCRIPTION	SCHEDULE	NDC #	SIZE	RATING	REFERENCE DRUG
09677-					
CLONIDINE HCl 0.1mg yellow round tab	Rx	1922-01	100	AB	Catapres
0.2mg white round tab	Rx	1922-10	1000	AB	
0.3mg green round tab	Rx	1923-01	100	AB	
COLCHICINE 0.6mg (1/100gr) white round tab	Rx	1923-10	1000	AB	
COLDEX-A Phenyleph 20mg/Phenytolex 40mg/CPM 4mg white cap-shaped SR tab	Rx	1683-01	100	NR	Colchicine
COLDTUSS-DR DM 15mg/Phenyleph 6mg/CTM 4mg red strawberry flavor syrup	Rx	1873-01	100	NR	Nalex-A
CORTISONE ACETATE 25mg white round scored tab	Rx	1874-33	PT	NR	Atuss DR
CYCLOBENZAPRINE HCl 10mg white round tab	Rx	0046-01	100	BP	Cortone
DEXTROMETORPHAN Hbr 15mg/CHLORPHENIRAMINE MALEATE 4mg/PHENYLEPHRINE HCl 10mg clear grape flavor liquid	Rx	1918-01	100	AB	Flexeril
DEXTROMETORPHAN Hbr 15mg/PHENYLEPHRINE HCl 10mg 10mg/CHLORPHENIRAMINE MALEATE 2mg strawberry flavor liquid	Rx	1918-05	500	AB	
	Rx	1918-10	1000	AB	
	Rx	1852-33	PT	NR	Norel DM
	Rx	1803-33	PT	NR	Atuss DM (New Formulation)
DIMETHYLPSEUDOEPHEDRINE HCl 90mg/GUAIFENESIN 800mg TR white cap-shaped scored time released tab	Rx	1875-01	100	NR	Profen Forte DM
DIPHENHYDRAMINE 25mg pink/clear w/red band cap	otc	1686-01	100	NR	Dramamine
	otc	1856-01	100	NR	Bendryl Capsules
	otc	1856-10	1000	NR	
	otc	1857-01	100	NR	

page 2 of 2

URLCatalogRpt Case 2:09-cv-05700-PA-RZ Document 102 Filed 09/30/2009 Page 9 of 9

25mg pink cap-shaped tab
09/05
[First](#) [Previous](#) [Next](#) [Last](#)

To Order Call: 1-800-523-3884

	otc	1857-10	1000	NR	Benadryl Captabs
	otc	1858-01	100	NR	
					4

TAB 10

REDACTED

**MUTUAL_001658022
through
MUTUAL_001658037**

TAB 11

REDACTED

MUTUAL_000235494

TAB 12

REDACTED

MUTUAL_000233436

TAB 13

REDACTED

MUTUAL_000235368

TAB 14

REDACTED

**MUTUAL_001399059
Through
MUTUAL_001399060**

TAB 15

REDACTED

**MUTUAL_000341592
through
MUTUAL_00341715**

TAB 16

REDACTED

**MUTUAL_000868246
through
MUTUAL_00868252**

TAB 17

REDACTED

**MUTUAL_000315678
through
MUTUAL_000315731**

TAB 18

REDACTED

MUTUAL_000232595
through
MUTUAL_000232604

TAB 19

REDACTED

**MUTUAL_000235997
through
MUTUAL_000235998**

TAB 20

REDACTED

**MUTUAL_000192624
through
MUTUAL_000192635**

TAB 21

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**MUTUAL_000237324
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MUTUAL_000237327**

TAB 22

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**MUTUAL_000237082
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TAB 23

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**MUTUAL_000236458
through
MUTUAL_000236480**

TAB 24

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MUTUAL_000236801**

TAB 25

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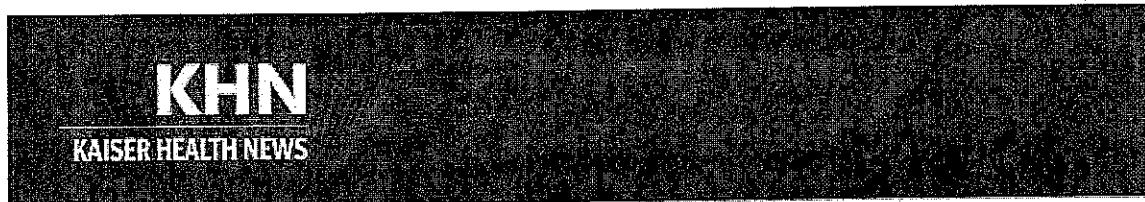
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TAB 26

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TAB 27

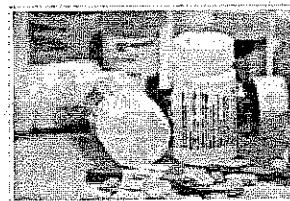


The High Price of FDA Approval

TOPICS: HEALTH COSTS

By HARRIS MEYER

DEC 29, 2009



Produced in collaboration with *The Philadelphia Inquirer*

Several months ago, Doris Webb was diagnosed with a rare disease called Familial Mediterranean Fever, a hereditary condition tied to her French ancestry that causes fevers, arthritis attacks and inflammation of the lining of the lungs and abdomen. Debilitating pain in her joints and bones was relieved by a prescription drug called colchicine.

Webb, of Morristown, Tenn., takes two to three tablets a day, paying \$11 at Wal-Mart for a 90-day supply, according to her daughter Tina Martin, who also takes colchicine for FMF. The drug, which has long been used to treat gout, is cheap because, like thousands of prescription drugs, it pre-dates modern drug laws and has never been approved by the Food and Drug Administration.

Now, however, Webb, 66, who's on Medicare but can't afford the Part D drug benefit, her daughter says, faces a problem in getting her colchicine. In July, Philadelphia-based URL Pharma won FDA approval for a branded version called Colcrys, which sells for about \$4.50 a tablet - nearly 50 times the price of the unapproved version. While the uninsured will be hit hardest by the cost increase, even insured patients, like Martin, will face higher costs. She says her copayment will rise from \$10 to \$35 for a 90-day supply.

The FDA found that Colcrys' drug interaction labeling and recommended dosing regimen make it safer than the unapproved forms of colchicine. The agency said it had received reports of 120 patient deaths from interactions of unapproved colchicine with other drugs. It granted URL Pharma and Colcrys three years exclusivity for treatment of gout - a recurrent arthritic inflammatory disease caused by uric acid buildup - and seven years for FMF under orphan drug rules.

But some rheumatologists and patients' groups charge that the FDA is letting URL Pharma overcharge the public for a drug that's no better or safer than the unapproved form. "If URL Pharma can show their medicine is superior, that's fine," said Dr. Chris Morris, a rheumatologist in Kingsport, Tenn. who has many FMF patients and gouty arthritis patients. "But I don't think they can. They're charging an outlandish amount for a medicine that's available for a fraction of the price."

There were about 3.5 million colchicine prescriptions filled in 2009, according to IMS Health. There are an estimated five million gout sufferers in the U.S. and fewer than 200,000 FMF patients.

Colchicine is the latest unapproved drug targeted by the FDA under a 2006 initiative aimed at prodding drugmakers to go through the agency's lengthy and costly approval process. The agency already has removed a number of unapproved prescription products and ingredients from the market.

Recently, the American College of Rheumatology sent a letter to the FDA seeking a meeting to discuss how to keep colchicine affordable to patients. "We want to express our concern that a medicine used for centuries to treat gout and rare conditions, which costs pennies, will now cost patients quite a bit more," said Dr. Stanley Cohen, who is the Dallas-based president of the group, in an interview. "That doesn't make sense in the setting of health care reform."

Part of URL Pharma's business plan is to take advantage of the FDA's campaign against unapproved drugs.

"Four years ago we decided to join the FDA in this effort," said Dr. Richard Roberts, CEO of URL Pharma. "We are focusing on a few of the unapproved products where there are significant safety and medical issues, applying a lot of science and creativity to bring them into compliance and make them safer."

In 2005, the company won FDA approval for Qualaquin, a brand-name formulation of unapproved quinine sulfate, long used for treating malaria. The following year, after it sued to force unapproved quinine sulfate products off the market, the FDA halted sales of those drugs.

In its 2006 policy guide, the FDA estimated there are several thousand drugs being marketed without the agency's approval. Federal law required approval of new drugs for safety beginning in 1938, and for effectiveness in 1962. Many drugs currently on the market preceded those laws.

Unapproved products the FDA has forced off the market include codeine sulfate, carbinoxamine, ergotamine and trimethobenzamide hydrochloride suppositories.

The FDA is targeting unapproved drugs with potential safety risks or lack of evidence of effectiveness, as well as those being marketed fraudulently or competing with an approved drug. But the agency has also said it would consider whether halting sales would leave patients without good alternatives.

Cheap colchicine probably won't be on the market for long. URL Pharma is suing to force the unapproved products off the market. Whatever the outcome of that lawsuit, the FDA policy guide suggests the drug agency will give other colchicine makers a year from Colcrys' approval before moving to halt sales. FDA spokeswoman Karen Riley declined to comment on the agency's enforcement plans.

Nancy Sparks Morrison, 70-year-old resident of Cross Lanes, W.V. who operates a Web site for fellow FMF sufferers, says she and other patients already are having trouble finding cheap colchicine. Her pharmacist no longer can get her old brand, which cost about \$10 a month, so she started ordering a Canadian-made version, which costs about \$100 a month, through an online pharmacy.

"With Colcrys coming out, all the other makers have stopped production, and when supplies run out there will be no more generic colchicine," Morrison said. "Then Colcrys will be the only product and they can charge whatever they want. It's price gouging, there's absolutely no excuse."

Attempts to reach colchicine producers were unsuccessful.

Roberts argues that it's unfair to compare the price of Colcrys and unapproved colchicine. "The companies pushing out illegal products with no regard for safety issues didn't add value for patients and doctors that we've now created," he said. "We've revolutionized how colchicine can be used. We don't compare ourselves to illegal products."

He acknowledged that his company distributed an unapproved form of the drug until 2006 but decided several years ago to stop producing or distributing any non-FDA approved products.

Some experts say the higher price of Colcrys is a necessary tradeoff for greater public protection. "It costs a lot to come out with a new drug that meets the standards of safety and efficacy, and someone has to pay for that," said Dr. Tom Hazlet, an associate professor at the University of Washington School of Pharmacy.

URL Pharma is reaching out to calm the consternation over the price of its new product. It's offering a three-month supply of Colcrys for \$15 to any U.S. patients with incomes under three times the poverty level. FMF patients with private insurance will qualify for coupons limiting their copayment to \$25 per prescription. And Roberts said his company soon will announce a third assistance program

for FMF patients who don't qualify for the other two, including Medicare beneficiaries who lack drug coverage.

But Tina Martin remains upset. "They've made the price astronomical," she said, "and it's not right."



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Incentives for Drug Development — The Curious Case of Colchicine

Posted by [NEJM](#) • April 14th, 2010 • [Printer-friendly](#)

Aaron S. Kesselheim, M.D., J.D., and Daniel H. Solomon, M.D., M.P.H.

In July 2009, the Food and Drug Administration (FDA) officially announced what physicians have long known — that the drug colchicine can effectively treat acute flares of gouty arthritis. The plant from which colchicine is derived was first used as a therapeutic agent for gout more than 3000 years ago in ancient Greece, and the tablet form has been widely available as a generic prescription drug in the United States since the 19th century. On the basis of evidence that had built up over the years, numerous consensus guidelines recommended colchicine as an effective second-line treatment for gout — for example, in patients who had adverse effects from nonsteroidal antiinflammatory drugs.¹

It came as a surprise to many patients and physicians that the FDA not only approved the new version of colchicine (Colcrys) but also granted the manufacturer, Philadelphia-based URL Pharma, 3 years of market exclusivity for this ancient drug. The possibility of such an exclusivity period arose because colchicine, despite its longevity, had never been officially approved by the FDA for a particular indication. The 1938 Food, Drug, and Cosmetic Act required that all new drugs be approved by the FDA for safety before being introduced on the market, but it allowed drugs that were already on the market to remain available. Starting in the 1960s, the FDA began to evaluate the safety and efficacy of older drugs, looking first at drugs that might pose the greatest threat to public health or that appeared to lack effectiveness. Colchicine was one of a number of drugs that the FDA never formally evaluated, although the agency did review and approve a combination pill containing colchicine and probenecid (Col-Probenecid, Watson Laboratories) for use in gout.

In 2007, URL Pharma organized pharmacokinetic studies testing its version of colchicine in healthy volunteers and a randomized, controlled trial involving 185 patients with acute gout. The combined findings of these studies confirmed the drug's safety and efficacy. The randomized, controlled trial, which followed patients for 1 week, showed that a shortened dosing regimen produced good symptom management in patients with gout while leading to fewer adverse events than a longer regimen.² Its effect size (38% in the group receiving shortened dosing of colchicine vs. 16% in the placebo group) was similar in magnitude to that of a previous randomized, controlled trial of colchicine for the

treatment of acute gout (73% vs. 36%).³ According to earlier reports, colchicine's adverse-event profile included diarrhea and vomiting, and these effects were also reported in the new trial. The reduced rate of side effects in the group receiving the shortened regimen confirmed the usefulness of a dosing adjustment that had been recommended in guidelines from one of the major rheumatology professional societies.¹ On the basis of this new trial, combined with the previously published evidence, the FDA approved Colcrys for treatment of acute gout. Because this was technically a new indication for the drug, the Waxman–Hatch Act authorized the FDA to award the company 3 years of market exclusivity — an incentive that the agency believes could encourage voluntary compliance with the drug-approval process.

At the same time, under the Orphan Drug Act, the manufacturer also received 7 years of market exclusivity for the use of Colcrys in the treatment of familial Mediterranean fever (FMF), a genetic inflammatory disorder that affects only about 100,000 patients worldwide. The Orphan Drug Act provides federal grant funding and tax credits for clinical trial costs, as well as market exclusivity, to encourage research into rare diseases. The orphan-drug incentive is not restricted to new products: currently available drugs that are approved for a new orphan indication can also be granted exclusivity. For example, thalidomide, a drug designed as an antiemetic agent that fell out of favor in the 1960s after it was linked to birth defects, was approved in 1998 as an orphan product for the treatment of leprosy and in 2006 for the treatment of multiple myeloma. In the case of FMF, the usefulness of colchicine in helping to control debilitating attacks of fever and abdominal pain was already established, and the orphan indication for Colcrys was approved on the basis of a review of previously collected data, along with additional limited safety information from the pharmacokinetic trials.

The implications of market exclusivity for the public health can be substantial. After the FDA approved Colcrys, the manufacturer brought a lawsuit seeking to remove any other versions of colchicine from the market and raised the price by a factor of more than 50, from \$0.09 per pill to \$4.85 per pill.⁴ These increased prices directly affect the availability of the drug to patients with gout or FMF who have long been using colchicine safely in an evidence-based manner. Exclusivity can also affect health care delivery more broadly. According to the Centers for Medicare and Medicaid Services, state Medicaid programs filled about 100,000 prescriptions of colchicine in 2007 and paid approximately \$1 million for the drug. Use of the new brand-name colchicine could add as much as \$50 million per year to these insurance programs' budgets at a time when they are addressing the rising costs of health care by reducing some services or raising eligibility thresholds.

The colchicine case demonstrates some important limitations of our current system for rewarding innovation in the pharmaceutical market. Incentive programs like those enacted by the Waxman–Hatch Act and the Orphan Drug Act offer market exclusivity to encourage

drug research, but these rewards are not calibrated to the quality or value of the information produced. Although the goals underlying the development of Colcrys were sound — few would argue against the need to comply with FDA requirements and the need to ensure the safety and efficacy of all prescription drugs — and the manufacturer seems to have followed FDA guidance, the reward appears to be out of proportion to the level of investment. More important, there is no evidence of any meaningful improvement to the public health. We believe that when creating and implementing incentives for private investment in drug research, policymakers should seek to avoid policies that can lead to such outcomes. An alternative solution, probably much less expensive, would be for the FDA or the National Institutes of Health to fund trials that address outstanding questions related to widely available drugs such as colchicine.

In addition, it is important to remember that the financial burden of market-exclusivity incentives in the United States falls primarily on the patients who are given prescriptions for the drug, or their insurers. Consequently, it seems reasonable to expect that costly new drugs or increases in drug prices would be accompanied by a substantial benefit in disease management to be enjoyed by these patients. This standard is not met by Colcrys; in this instance, the public may bear considerable costs for a poorly executed administrative goal.

Disclosure forms provided by the authors are available with the full text of this article at NEJM.org.

Source Information

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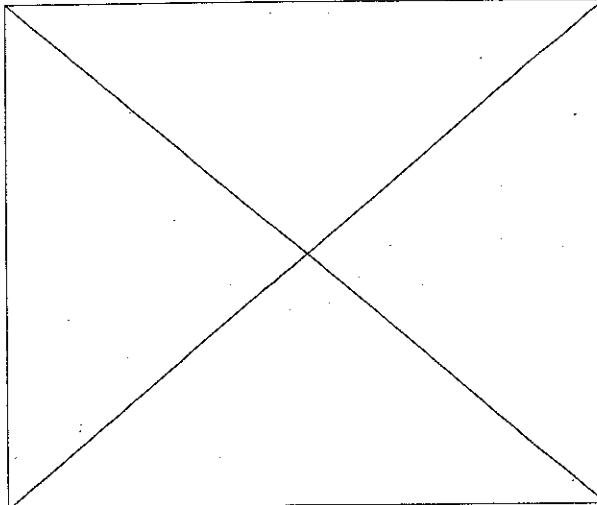
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The Price of Gout Drug, Colchicine, Goes Up

Why sticker shock may soon be a side effect of taking this centuries-old medication

By Andy Miller

4/20/10 For the past few years, Peggy Lewis has paid \$10 or less for a 90-day supply of her gout drug, colchicine. But Lewis, 71, fears she will soon be forced to pay hundreds of dollars more for that medication.

Lewis, of Fairfield, Ohio, has taken colchicine for about 20 years to prevent attacks of gout, a form of arthritis that causes flares of sudden pain, stiffness and swelling in joints.

But sometime this year, Lewis will have to replace her current version with a brand-name colchicine medication, *Colcrys*, which, she was told, could cost up to \$550 for a 3-month supply.

"I think it's a shame," she says of the price increase. "It would take my whole Social Security check."

The jump in price follows a push by the U.S. Food and Drug Administration (FDA) to stop the sale of hundreds of medications that had been grandfathered onto the drug market because they were dispensed before the agency began reviewing and approving new drugs.

Colchicine, for example, which is made from a flowering plant called the Autumn Crocus, was first used for gout treatment in the 1800s.

It's estimated that thousands of drugs fall into this "marketed, unapproved" category, and they include many other medical mainstays, including forms of the painkiller morphine and the heart drug nitroglycerine.

The agency says it is concerned that many of these medications could have safety issues that have never been brought to light. In 2008, for example, the FDA banned injected forms of colchicine after 23 deaths were linked to its use.

The FDA has called on drug manufacturers to conduct clinical trials on these unapproved medications. In return, the Agency offers them some patent protections so they can recoup their investments in the drugs.

In 2009, Philadelphia-based company, URL Pharma, which is thus far the only company that has tested colchicine and submitted an application for FDA approval, was granted the exclusive rights, for three years, to market colchicine as a treatment for gout attacks. The company was also granted the right to be the sole supplier of colchicine as a treatment for familial Mediterranean fever, a rare disease, for seven years.

Colchicine currently accounts for about 3.5 million prescriptions in the U.S. annually, according to IMS Health.

Pharmacies still carry the unapproved, generic versions of colchicine, but as these versions are forced off the market, at some point, those supplies will dry up.

When that happens, the price of colchicine is expected to soar from about \$.10 to \$5 per tablet.

The steep increase of *Colcrys* has alarmed both patients with these diseases and the rheumatologists who treat them.

"Rheumatologists are incensed – there's anger out there," says Edward Herzig, MD, an Ohio rheumatologist who treats Lewis.

In response to the price uproar, URL Pharma points out that their testing of colchicine revealed that lower doses were equally effective as the dose commonly prescribed by doctors. The company also points to newly-identified drug interactions between colchicine and some kinds of antibiotics and antifungal drugs, which might not have been identified without its research.

The company also promised to expand its patient assistance and co-pay programs, which, the company says, should make *Colcrys* affordable to all.

Nevertheless, the American College of Rheumatology in January said it asked the FDA to prolong the typical "grace period" of one year before forcing other colchicine makers to halt production. Read the ACRs letter to the FDA here.

"The fact [URL Pharma] did safety studies is to be applauded," says Dr. Herzig, adding that some return on investment is appropriate. But he says that at \$5 a pill, "my personal belief is that it's gouging."

Currently, some patients have been forced to go to several pharmacies to get the cheaper drug, says Chris Morris, MD, a Kingsport, Tenn., rheumatologist.

Stanley Cohen, MD, president of the American College of Rheumatology, says the company appears willing to listen to physician concerns about the cost of *Colcrys*. Yet Dr. Cohen adds that he believes the FDA "was not prepared for the unintended consequences" of having just one company control the colchicine market.

FDA spokeswoman Karen Riley said the agency does not address pricing issues. "We took action on colchicine to ensure that what was on the market had been reviewed for safety and effectiveness," she said recently. Read the FDA's response to the price increase here.

But other experts say the FDA should be concerned about the price impact.

In "The Curious Case of Colchicine," an editorial published online on April 14, 2010 in the *New England Journal of Medicine*, Aaron S. Kesselheim, MD, and Daniel Solomon, MD, both of Brigham and Women's Hospital, in Boston, said that reward to drug companies for testing older drugs appears to be out of proportion to their level of investment with "no evidence of any meaningful improvement to the public health."

"An alternative solution," they wrote, "probably much less expensive, would be for the FDA or the National Institutes of Health to fund trials that address outstanding questions related to widely available drugs such as colchicine." Read the full editorial.

Meanwhile, Kindle Horton of Jonesborough, Tenn., says the higher price is likely to lessen access to colchicine for many people with familial Mediterranean fever.

Horton, 29, was diagnosed with the disease after years of misdiagnosis and devastating pain and weakness. The disease is a rare, inherited disorder that produces recurrent fevers and painful inflammation of the abdomen, lungs and joints.

"The colchicine gave me my life back," she says.

Horton is now taking an older version. The eventual switch to *Colcrys* will increase her health insurance costs, she says. "This is horrible that you take away something that can help people," she says. "This is a huge, huge issue, especially since we are supposed to be reforming health care."

URL Pharma, which as a privately held firm does not publicly disclose its financial information, says that improving its patient assistance program should make *Colcrys* affordable to everyone without insurance.

A patient in a family of four making up to \$132,000 a year will now qualify to pay, on a sliding scale, from \$5 to \$25 for a month's supply of *Colcrys*, the company said. In addition, people with health insurance can qualify for a \$25 co-pay plan.

"We want to make sure people get access to *Colcrys*," says Matthew Davis, MD, the chief medical officer for URL Pharma.

Still, Nancy Sparks Morrison, who has familial Mediterranean fever, wants to see how the new pricing plays out with her Medicare Part D plan.

Morrison, 71, of Cross Lanes, W.Va., who blogs on familial Mediterranean fever and monitors a support group on the condition, now orders colchicine from Canada, paying \$100 for 200 pills. She says she may run into the Medicare Part D doughnut hole after a few months – and pay a lot more for her drugs – if she starts taking brand-name *Colcrys*.

Before this year, Morrison says, most patients were paying 10 cents a pill for colchicine. "People are worried," she says. "A lot of folks are ordering it from Canada or Israel."

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THE WALL STREET JOURNAL.

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HEALTH INDUSTRY | APRIL 12, 2010

An Old Gout Drug Gets New Life and a New Price, Riling Patients

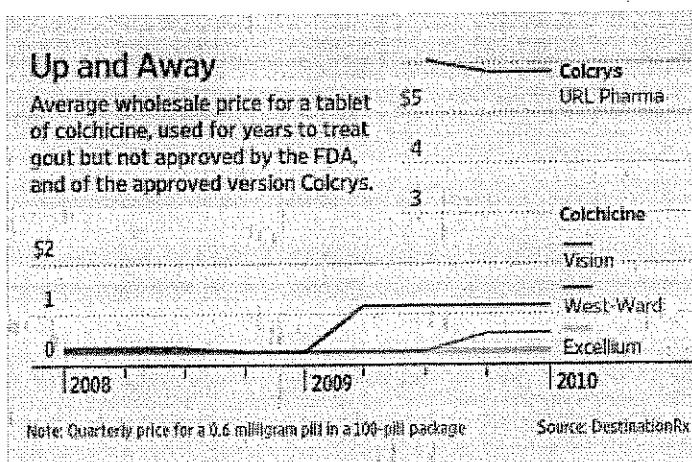
By JONATHAN D. ROCKOFF

A centuries-old drug used to treat excruciating gout pain had cost just pennies a tablet—until last year. Now, the retail price has skyrocketed to more than \$5 and some of the manufacturers have ceased production amid a battle over marketing rights.

The tale of how this common gout drug, colchicine, became the costlier branded drug Colcrys offers a window into the Byzantine world of drug pricing. The price rise is a consequence of a Food and Drug Administration effort to improve the safety of long-used but unapproved drugs, with a trade-off often made between drug affordability and safety.

In July 2009, a Philadelphia drug maker received FDA approval to exclusively market colchicine for gout attacks for three years. The company, URL Pharma Inc., was taking advantage of a push to bring medicines predating the FDA, like colchicine, under the agency's regulatory umbrella. The FDA offers exclusive marketing rights if a drug maker conducts clinical trials.

URL Pharma had commissioned studies that confirmed its colchicine product's safety and efficacy, while demonstrating it should be taken at a lower dose than typical and not used with certain other medicines. The company is marketing its drug as Colcrys—and the retail cost averages \$5 per pill, according to DestinationRx, a health-care data provider.



URL is also suing longtime manufacturers of unapproved colchicine, saying the companies are now illegally marketing their products. Some of the companies are fighting the lawsuits. Some themselves have raised prices—including one increase of just under a dollar per tablet to \$1.17, according to DestinationRx. The higher price for Colcrys was first reported by Kaiser Health News.

There were 3.5 million prescriptions and \$6.4 million in sales in 2008, according to the most recent data available from IMS Health, a drug-data firm.

"It's not a new product. It's been out for hundreds of years. To all of a sudden have to pay \$125 or \$150 a month, after it only cost \$5 or \$10 a month, is a real problem," said Stanley Cohen, a Dallas doctor who is the president of the American College of Rheumatology. He met with the FDA to express concern about the price increase.

The chief executive of URL Pharma, Richard Roberts, said that it priced Colcrys in line with other approved, branded drugs used to treat gout pain. To help patients afford Colcrys, Dr. Roberts said, the company is offering to pay a portion of co-pays, and it is providing a three-months' supply to low-income patients for \$15.

Eileen Wood, vice president of pharmacy and health-quality programs at CDPHP, an insurer in New York state, said insurers will have to absorb much of the added expense. URL's contribution was "not any new therapeutic tool, not new science; they just added cost," she said.

Nancy Sparks Morrison, a retired schoolteacher who suffers from familial Mediterranean fever, an inflammatory disorder that's treated with colchicine, said she is buying colchicine from Canada because she can't afford Colcrys. Ms. Morrison said she plans to get help from URL Pharma to pay for Colcrys because the company has just expanded its assistance program. "I'm retired on Social Security, and I have a small pension," said Ms. Morrison, 71 years old, who lives outside Charleston, W.Va.

The price increase is an unintended consequence of the FDA's nearly four-year-old initiative to regulate unapproved drugs. These medicines were sold before the FDA was established, and therefore weren't required to undergo approval. After decades of use, the medicines are considered safe by doctors, but haven't been proven to satisfy the agency's standards. Colchicine's use has been traced back to the sixth century, according to the FDA.

Seventy drugs that were grandfathered have been approved since the FDA began its initiative, most notably pain reliever Vicodin, from Amneal Pharmaceuticals LLC, the FDA said.

The FDA had hoped a significant price increase wouldn't follow Colcrys's approval and regrets the increase, said Janet Woodcock, director of the agency's Center for Drug Evaluation and Research. Dr. Woodcock encouraged more competition, saying another company could seek approval for colchicine's regular use in gout, rather than the acute use that URL Pharma received approval for.

There had been no standard for dosage before FDA approval. Colchicine's excessive use can cause side-effects, such as severe diarrhea that is potentially fatal. The FDA said it receives reports of five deaths a year, on average, involving patients who took colchicine tablets.

"We took bad guidance, even guesswork, and made this evidence-based medicine," Dr. Roberts said.

Closely held URL Pharma, which is owned by a hedge fund, a private investor and employees, is a longtime seller of generic drugs, including colchicine. When the FDA launched its push, the company began searching for those with safety risks whose patients could benefit from clinical testing, Dr. Roberts said.

URL Pharma said its 17 clinical trials of colchicine involved a total of 988 patients. The trials showed that gout patients need take two tablets after an attack and one more an hour later, the FDA said. Trials also demonstrated side-effects from use with certain other medicines, including some antibiotics and antihypertensive medicines. Those are now flagged on the label of Colcrys.

After obtaining FDA approval of Colcrys, URL Pharma went to federal court to sue manufacturers of colchicine, including Excellium Pharmaceutical Inc., Vision Pharma LLC, Watson Pharmaceuticals Inc. and West-Ward Pharmaceutical Corp., saying they have been illegally marketing their colchicine products since Colcrys's approval. A fifth company, Qualitest Pharmaceuticals, settled and stopped production. The four companies are fighting the lawsuits.

"You have this product out for at least a hundred years and all of a sudden it's no good?" said Lou Dretchen, who oversees sales and marketing at Excellium of Fairfield, N.J. Mr. Dretchen said the small, closely held generic drug maker stopped colchicine production after URL Pharma sued. The other companies declined to comment.

Write to Jonathan D. Rockoff at jonathan.rockoff@wsj.com

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TAB 31

THE WALL STREET JOURNAL.

WSJ.com

JULY 7, 2010

URL Pharma Under Fire for Letters to Doctors Who Criticized Drug

By JONATHAN D. ROCKOFF

When a prescription drug called Colcrys came on the market last fall to treat gout, a number of physicians voiced their displeasure on an online message board for rheumatologists.

Now, those doctors are embroiled in a dispute with the drug's maker, URL Pharma Inc., over their postings. Some doctors had advocated use of a cheaper version of the drug, whose generic name is colchicine. In response, URL Pharma's general counsel sent letters to several of the critics asking them to "clarify the record" and saying there were "potential risks and liability" associated with using unapproved versions.

URL Pharma didn't threaten to sue the doctors, but warned that their comments expose them to liability lawsuits from injured patients.

"These are shake-down letters to silence" critics, said John Goldman, an Atlanta rheumatologist. In his postings, he had criticized URL Pharma for conducting limited research and for its pricing of Colcrys. URL Pharma says it reached out to physicians to educate them about its clinical trials and help them prescribe the drug appropriately, not to quash criticism. The company says it wasn't targeting the message-board members in particular, but had sent letters to a total of 150 doctors who had "mischaracterized unapproved colchicine as being safe or legal" in opinion pieces and other venues.

"We were trying to alert this small group of misinformed physicians to the fact that they were being led into medical malpractice liability," the company said in a statement.

Gout is a painful form of arthritis caused by high levels of uric acid in the blood. There were 3.5 million prescriptions of colchicine and \$6.4 million in sales in 2008, according to IMS Health, a drug-data firm.

Colchicine has been around for centuries—so long that its use predated the Food and Drug Administration and therefore didn't require the agency's vetting. The FDA has encouraged companies to put such unapproved medicines through clinical testing. URL Pharma went through such steps, and last summer received approval to exclusively market its colchicine product, which it dubbed Colcrys, for gout attacks for three years. Last fall, the FDA approved the drug's use to prevent such attacks, but did not give URL Pharma exclusive marketing rights for that use.

URL Pharma priced Colcrys much higher than the pennies a tablet that patients had been paying for the older colchicine saying it was costly to conduct the clinical testing and the price was in line with other approved gout treatments. Colcrys retails for more than \$5 a pill. The Philadelphia company also sued rival colchicine manufacturers, including Excellium Pharmaceutical Inc., Vision

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Pharma LLC, Watson Pharmaceuticals Inc. and West-Ward Pharmaceutical Corp., for illegal marketing. The four companies have said they are fighting the lawsuits.

URL's moves drew the ire of many doctors. On the online discussion group, sponsored by the American College of Rheumatology, critics posted numerous comments with their names attached. Doctors criticized the FDA, in addition to URL Pharma.

Edward Herzog, a Cincinnati-area rheumatologist, wrote that one of his patients had just learned that a 90-day supply of Colcrys would cost \$550. "What chutzpah!" he said. Paul Rochmis, who practices in suburban Washington, expressed concern that URL Pharma was taking advantage of the FDA's unapproved drugs initiative at the expense of patient welfare. Edward Fudman in Austin, Texas, encouraged doctors to urge the FDA to allow unapproved colchicine to remain on sale.

The company says many insurers will cover the higher cost of its drug. Some people may qualify for a URL program that covers all or some of the cost of the drug. The company says it wanted to educate doctors that there is now on the market an approved drug, which means regulators have concluded it is safe and manufactured according to government standards.

Write to Jonathan D. Rockoff at jonathan.rockoff@wsj.com

TAB 32



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December 18, 2009

Janet Woodcock, MD
Director, Center for Drug Evaluation and Research
Food & Drug Administration
10903 New Hampshire Avenue
Silver Spring, Maryland 20933

Re: Removal of unapproved colchicine

Dear Dr. Woodcock,

The American College of Rheumatology recently became aware that unapproved colchicine is being forced off the market. Unapproved colchicine has been used for over 200 years as an inexpensive pain-reliever and anti-inflammatory for the millions of patients suffering from gout. The removal of an inexpensive, safe and effective drug used to treat acute gout patients will have a costly affect on these patients' access to a drug therapy. The College strongly encourages the Food and Drug Administration to grandfather unapproved colchicine and grant market approval to colchicine so that patients can continue to access this vital inexpensive treatment.

URL Pharma, Inc. recently received market approval for COLCRYS®. With this approval, the price of the drug has increased from approximately 10 cents per tablet to five dollars per tablet. This increase will put the drug out-of-reach of many patients. Generally, market approval would provide market exclusivity to the new drug (for a certain period of time) to the pharmaceutical company. However in the case of colchicine, the drug has been produced for centuries by a number of manufacturers. Considering colchicine's history, unapproved colchicine should be recognized as identical, related, or similar status to an approved drug.

According to the Compliance Policy Guide, the FDA will evaluate drugs (case-by-case) to determine if justification exists to allow for continued marketing after FDA determines that a product is being marketed illegally. The ACR requests that the FDA review colchicine and allow manufacturers to continue drug production so patients can afford this important treatment. One of the deciding factors in FDA policy is "the burden on affected parties of immediately removing the product from the market." Removal of unapproved colchicine will be an extreme cost burden to patients who take colchicine for gout prophylaxis increasing medication cost from approximately \$6/month to \$300/month. Most only take one a day for prophylaxis suggest \$3 to \$150.

In light of the recently FDA approval of COLCRYS®, the ACR respectfully requests FDA review and provide market approval of unapproved colchicine. The availability of unapproved

colchicine will provide access to drug therapies for millions of acute gout patients and assist in reducing health care costs for patients and Medicare.

This letter is being sent to you based on numerous comments from ACR members. The entire US ACR membership and leadership is very concerned that colchicine will be priced beyond the abilities of many patients. I would like an opportunity to discuss this situation with you in depth either in person or via telephone. Please feel free to contact me at your convenience at (214) 540-0646 or via e-mail at arthdoc@aol.com.

Sincerely,



Stanley Cohen, MD
President, American College of Rheumatology

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Westlaw.

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NOTICES

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

[Docket No. FDA-2008-N-0014]

Drug Products Containing Colchicine for Injection; Enforcement Action Dates

Friday, February 8, 2008

AGENCY: Food and Drug Administration, HHS.

*7565 ACTION: Notice.

SUMMARY: The Food and Drug Administration (FDA) is announcing its intention to take enforcement action, as described in this notice, against unapproved drug products containing colchicine for injection (hereinafter "colchicine for injection products"), and persons who manufacture or cause the manufacture of such products or their shipment in interstate commerce. All colchicine for injection products are administered intravenously. Colchicine is associated with a variety of serious adverse events, some of them potentially fatal. Furthermore, a narrow margin of safety exists between a therapeutic dose of colchicine and a toxic dose of the drug. Colchicine for injection products are new drugs that require approved applications because they are not generally recognized as safe and effective. Manufacturers who wish to market a colchicine for injection product must obtain FDA approval of a new drug application (NDA).

DATES: Effective February 8, 2008. For information about enforcement dates, please see the SUPPLEMENTARY INFORMATION section.

ADDRESSES: All communications in response to this notice should be identified with Docket No. FDA-2008-N-0014 and directed to the appropriate office listed as follows:

Regarding applications under section 505(b) of the act (21 U.S.C. 355(b)): Parinda Jani, Center for Drug Evaluation and Research, Food and Drug Administration, 10903 New Hampshire Ave., Bldg. 22, Silver Spring, MD 20993- 0002, 301-796-1232, Parinda.Jani@fda.hhs.gov.

All other communications: See the FOR FURTHER INFORMATION CONTACT section.

FOR FURTHER INFORMATION CONTACT: Jennifer Devine, Center for Drug Evaluation and Research (HFD-310), Food and Drug Administration, 5600 Fishers Lane, Rockville, MD 20857, 301-827-8965, e-mail: Jennifer.Devine@fda.hhs.gov.

SUPPLEMENTARY INFORMATION:

I. Enforcement Dates

FDA intends to take enforcement action to enforce section 505(a) of the Federal Food, Drug, and Cosmetic Act (the act) (21 U.S.C. 255(a)) against any unapproved **colchicine** for injection product that does not have a National Drug Code (NDC) number listed with FDA in full compliance with section 510 of the act (21 U.S.C. 360) before February 6, 2008, that is manufactured, shipped, or otherwise introduced or delivered for introduction into interstate commerce by any person [FN1] on or after February 8, 2008, or against any **colchicine** for injection product that has an NDC number listed with FDA and is not commercially used or sold in the United States before February 6, 2008, but is manufactured, shipped, or otherwise introduced or delivered for introduction into interstate commerce by any person on or after February 8, 2008.

[FN1]A "person" includes individuals, partnerships, corporations, or associations (21 U.S.C. 321(e)).

However, for unapproved **colchicine** for injection products that are commercially used or sold in the United States and have an NDC number listed with FDA in full compliance with section 510 of the act before February 6, 2008 ("currently marketed and listed"), the agency intends to exercise its enforcement discretion after as identified elsewhere in this document. FDA intends to initiate enforcement action against any currently marketed and listed **colchicine** for injection product that is manufactured on or after March 10, 2008, or that is shipped, introduced, or delivered for introduction ("shipped") on or after August 6, 2008. Further, FDA intends to take enforcement action against any person who manufactures or ships such products after the dates set forth previously. Any person who submits a new drug application (NDA) for a **colchicine** for injection product but has not received approval must comply with this notice. Unapproved **colchicine** for injection products that are not currently marketed, or that are currently marketed but are not listed with the agency before February 6, 2008 must, as of the date of this notice, have approved applications prior to their introduction or delivery for introduction into interstate commerce.

II. Background

Colchicine is an alkaloid of the *colchicum autumnale* plant, also known as autumn crocus or meadow saffron. *Colchicum* was initially described in the 1st century A.D. by Dioscorides in the *Materia Medica*. Medical use of *colchicum* for gout pain dates back to the 6th century. It was used for several centuries, but the use of *colchicum* in the treatment of gout substantially declined by the 15th century because of its toxicity. *Colchicum* was reintroduced as a treatment for acute gout beginning in 1763. **Colchicine** was first isolated from *colchicum* in 1820 and made available in

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oral dosage form during the 19th century. Colchicine in oral dosage form is currently available in both as a single ingredient and in combination with probenecid, but these products are not covered by this notice. Colchicine for injection has been available in the United States since the 1950s and has been administered intravenously for the treatment of acute attacks of gout. Because of toxicities associated with the use of intravenous (IV) colchicine and the emergence of safer alternative therapies, IV colchicine is rarely used in current practice for acute gout treatment.

III. Current Status of Colchicine for Injection Products

There are currently no approved applications for colchicine for injection products. FDA is aware of only one manufacturer of a currently marketed unapproved colchicine for injection product. This manufacturer has notified the agency that it has ceased manufacturing colchicine for injection.

IV. Safety Issues in Use of Colchicine for Injection Products

Serious safety concerns, including fatalities, associated with colchicine for injection products are well documented in the literature and in adverse drug events reported to the agency. Many of these adverse events are caused by colchicine toxicity, which typically occurs in three phases. The initial phase, occurring within 24 hours of administration of a toxic dose of colchicine, is characterized by abdominal pain, anorexia, nausea, vomiting, diarrhea, leukocytosis, hypovolemia, and electrolyte imbalance. The second phase, 2 to 7 days after colchicine administration, involves bone marrow aplasia, coagulopathies, cardiac arrhythmia, renal failure, rhabdomyolysis, seizures, peripheral neuropathy with ascending paralysis, and respiratory distress. If the patient survives, the third phase is a recovery phase involving leukocytosis and alopecia. Overall, FDA is aware of 50 reports of adverse events associated with IV colchicine use, including 23 *7566 deaths, through June 2007. [FN2] Three of these deaths occurred in March and April of 2007 and were associated with the use of compounded IV colchicine. Among the commonly reported events (n=50) that had medical significance were neutropenia, acute renal failure, thrombocytopenia, congestive heart failure, and pancytopenia.

FN2Data in the current system adverse event reporting system (AERS) dates back to when the AES was first implemented in 1969.

Compared to oral administration of colchicine, there is an increased likelihood of colchicine toxicity when the drug is administered intravenously. For oral dosing in the treatment of acute gout, the dose is usually titrated by administering the drug over time until symptoms resolve or the patient begins to experience side effects, which are typically gastrointestinal. This emergence of side effects during oral dosing provides a margin of safety that often prevents serious and fatal overdoses. In the case of IV administration, side effects are generally not experienced until the patient has already received toxic levels of colchicine. Therefore, extreme care must be exercised when colchicine is administered by this route.

Colchicine is also known to have a narrow therapeutic index, with a narrow margin

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of safety between doses that are therapeutic in the treatment of gout and doses that are toxic. Many of the adverse events associated with colchicine are dose-related. Overdosing of colchicine, as discussed previously, can result in bone marrow suppression, organ failure, and death. The rate of clearance of colchicine tends to decline in persons with diminished renal or hepatic function. This means that the blood level of colchicine in persons with diminished renal or hepatic function tends to be higher for a longer period of time for a given dose compared to persons with normal renal or hepatic function. The frequency and severity of adverse effects, including colchicine toxicity, may also be greater in these populations.

FDA is generally aware of the use of IV colchicine as a treatment for back pain and that compounding pharmacies often produce colchicine for injection products that are administered intravenously for back pain treatment. FDA has not approved colchicine in any dosage form for the treatment of back pain. FDA's policy regarding the practice of pharmacy compounding is articulated in the Agency's Compliance Policy Guide Sec. 460.200 on Pharmacy Compounding (Pharmacy Compounding CPG). This notice does not affect the applicability or interpretation of the Pharmacy Compounding CPG.

FDA wants to underscore that there are serious risks associated with IV colchicine products, because there is a limited margin of safety due to both the narrow therapeutic index and serious toxicity of colchicine. Any dosing errors with the administration of IV colchicine could have potentially serious and fatal consequences.

V. Legal Status

A. Colchicine Products for Injection Are New Drugs Requiring Approved Applications

Based on the safety considerations described previously, colchicine for injection products are not generally recognized as safe and effective under section 201(p) of the act (21 U.S.C. 321(p)) for the treatment or prevention of gout or any other condition. Therefore, an injectable drug product containing colchicine, alone or in combination with other drugs, is regarded as a new drug as defined in section 201(p) of the act and is subject to the requirements of section 505 of the act. As set forth in this notice, approval of an NDA or an abbreviated new drug application under section 505 of the act is required as a condition for manufacturing or marketing all colchicine for injection products. After the dates identified in this notice, FDA intends to take enforcement action as described in this notice against any person who is marketing or shipping unapproved colchicine for injection products. Any person who submits an NDA for a colchicine for injection product but has not received approval must comply with this notice. Furthermore, this notice does not affect the applicability or interpretation of the Pharmacy Compounding CPG.

This notice does not affect the legal status of products containing colchicine in oral dosage forms, which FDA intends to address at a later date.

B. Notice of Enforcement Action

Although not required to do so by the Administrative Procedure Act, the act, or any rules issued under its authority, or for any other legal reason, FDA is providing this notice to persons who are marketing unapproved colchicine for injection products that the agency intends to take enforcement action against such products and those who market them or cause them to be marketed or shipped in interstate commerce. Consistent with the priorities identified in the agency's CPG Sec. 440.100 entitled "Marketed Unapproved Drugs--Compliance Policy Guide" (Marketed Unapproved Drugs CPG), the agency is taking action at this time against unapproved colchicine for injection products because, as described in section III of this notice, colchicine for injection is a drug with significant safety risks.

Manufacturing or shipping unapproved colchicine for injection products can result in enforcement action, including seizure, injunction, or other judicial or administrative proceeding. Consistent with policies described in the Marketed Unapproved Drugs CPG, the agency does not expect to issue a warning letter or any other further warning to firms marketing unapproved colchicine for injection products prior to taking enforcement action. The agency also reminds firms that, as stated in the Marketed Unapproved Drugs CPG, any unapproved drug marketed without a required approved drug application is subject to agency enforcement action at any time. The issuance of this notice does not in any way obligate the agency to issue similar notices or any notice in the future regarding marketed unapproved drugs. [FN3]

FN3The agency's general approach in dealing with these products in an orderly manner is spelled out in the Marketed Unapproved Drugs CPG. That CPG, however, provides notice that any product that is being marketed illegally, and the persons responsible for causing the illegal marketing of the product, are subject to FDA enforcement action at any time.

As described in the Marketed Unapproved Drugs CPG, the agency may, at its discretion, identify a period of time during which the agency does not intend to initiate an enforcement action against a currently marketed unapproved drug solely on the grounds that it lacks an approved application under section 505 of the act. With respect to unapproved colchicine for injection products, the agency intends to exercise its enforcement discretion for only a limited period of time for the following reasons: (1) Colchicine for injection is a drug with significant safety risks, (2) colchicine is available in an oral dosage form for those patients for whom use of the drug is medically necessary, and (3) colchicine in combination with probenecid as an oral tablet has FDA approval and is indicated for the treatment of gout. Therefore, the agency intends to implement this notice as identified elsewhere in this document.

FDA intends to take enforcement action to enforce section 505(a) of the act against any unapproved colchicine for injection product that is not listed in full compliance with section 510 of the act before February 6, 2008, that is *7567 manufactured, shipped, or otherwise introduced or delivered for introduction into interstate commerce by any person on or after February 8, 2008, or is not currently marketed but is subsequently manufactured, shipped, or otherwise introduced or delivered for introduction into interstate commerce by any person on or after February 8, 2008.

However, for currently marketed and listed unapproved colchicine for injection products, the agency intends to exercise its enforcement discretion after February 8, 2008, as identified elsewhere in this document. FDA intends to initiate enforcement action against any currently marketed and listed colchicine for injection product that is manufactured on or after March 10, 2008, or that is shipped on or after August 6, 2008 [FN4]. Further, FDA intends to take enforcement action against any person who manufactures or ships such products after the dates set forth previously. Any person who submits an NDA for a colchicine for injection product but has not received approval must comply with this notice.

FN4If FDA finds it necessary to take enforcement action against a product covered by this notice, the agency may take action relating to all of the defendant's other violations of the act at the same time. For example, if a firm continues to manufacture or market a product covered by this notice after the applicable enforcement date has passed, to preserve limited agency resources, FDA may take enforcement action relating to all of the firm's unapproved drugs that require applications at the same time (see e.g. United States v. Sage Pharmaceuticals, 210 F3d 475, 479-480 (5th Cir. 2000) (permitting the agency to combine all violations of the act in one proceeding, rather than taking action against multiple violations of the act in "piecemeal fashion")).

The agency, however, does not intend to exercise its enforcement discretion as outlined previously if the following apply: (1) A manufacturer or distributor of an unapproved injectable colchicine product covered by this notice is violating other provisions of the act, including but not limited to, violations related to FDA's current good manufacturing practices, adverse drug event reporting, misbranding, or other violations, or (2) it appears that a firm, in response to this notice, increases its manufacture or interstate shipment of injectable colchicine drug products above its usual volume during these periods.

Nothing in this notice, including FDA's intent to exercise its enforcement discretion, alters any person's liability or obligations in any other enforcement action, or precludes the agency from initiating or proceeding with enforcement action in connection with any other alleged violation of the act, whether or not related to an unapproved drug product covered by this notice. Similarly, a person who is or becomes enjoined from marketing unapproved drugs may not resume marketing of unapproved injectable colchicine products based on FDA's exercise of enforcement discretion as set forth in this notice.

Drug manufacturers and distributors should be aware that the agency is exercising its enforcement discretion as described previously only in regard to colchicine for injection products that are marketed under an NDC number listed with the agency before February 6, 2008. As previously stated, unapproved colchicine for injection products that are currently marketed and not listed with the agency on the date of this notice must, as of the effective date of this notice, have approved applications prior to their shipment in interstate commerce. Moreover, any person or firm that submits an NDA but has yet to receive approval for such products is still responsible for full compliance with this notice.

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C. Discontinued Products

Some firms may have previously discontinued the manufacturing or distribution of products covered by this notice without removing them from the listing of their products under section 510(j) of the act. Other firms may discontinue manufacturing or marketing listed products in response to this notice. Firms that wish to notify the agency of product discontinuation should send a letter, signed by the firm's chief executive officer, fully identifying the discontinued product(s), including NDC number(s), and stating that the product(s) has (have) been discontinued and will not be marketed again without FDA approval. The letter should be sent to Jennifer Devine, (see ADDRESSES). Firms should also update the listing of their products under section 510(j) of the act to reflect discontinuation of unapproved colchicine for injection products. FDA plans to rely on its existing records, the results of a subsequent inspection, or other available information when it initiates enforcement action.

This notice is issued under the act (sections 502 (21 U.S.C. 352)) and 505 and under authority delegated to the Deputy Commissioner for Policy under section 1410.10 of the FDA Staff Manual Guide.

Dated: January 29, 2008.

Jeffrey Shuren,

Assistant Commissioner for Policy.

[FR Doc. 08-564 Filed 2-6-08; 8:45 am]

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